



PRESS RELEASE

United States Secret Service
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GUARDIANS OF THE WIRE: U.S. SECRET SERVICE CONTINUES FIGHT TO DEFEAT BUSINESS EMAIL COMPROMISE 23 Indicted in South Florida in Transnational Cyber-Enabled Financial Fraud Scam

(Washington, D.C.) A massive transfer of wealth is occurring in the United States and the Secret Service is working doggedly to put a stop to it. Over the course of the last 12 months, Secret Service agents in Miami, FL, have indicted 23 suspects in South Florida who are part of transnational fraud ring that spans the globe.

The fraud scheme, known as *Business Email Compromise* or *BEC*, takes advantage of our growing cyber based economy. BEC schemes involve hacking or spoofing business or individual corporate email accounts enabling scammers to send messages to the accounting or finance office of the hacked company directing them to electronically transfer funds. The fraudulent emails are made to appear as though sent from an authorized sender with the access or authority to direct payments on behalf of the company.

On the other end of the scam is the ground game - a coordinated network of money mules that fraudulently open bank accounts under false pretenses for the sole purpose of receiving the stolen money. BEC is often initiated overseas by fraud scheme leaders who direct the operation and manage a network of "money mules" in the U.S.

The term "mule" is often associated with the drug trade; people hired to smuggle contraband into the U.S. for nominal fees at the direction of major transnational criminal enterprises. In this case, the mules are smuggling money out of the country but they're not carrying the cash themselves.

The Full Circle: Once the business network is hacked or spoofed, the spurious email is sent instructing large sums of money to the money mules' shell bank account - all the while appearing to be a normal transaction to the unassuming finance office. . . . *John, please wire \$98,000 to our supply vendor, by the way their account info has changed, make sure you use the new account, #1234567, thank you CEO Jane.* . . . After the stolen money hits the mules account, they follow instructions from their criminal co-conspirators about where and how to move the fraudulently obtained funds via wire transfer - often outside the United States to bank accounts around the world.

For companies that are accustomed to transferring funds electronically, the scam rarely is uncovered until too late. This seems like an impossible - if not improbable means of stealing money - but it works and money is leaving the country at an astonishing rate. Miami Secret Service agents can attribute upwards of \$10 million in loss to the 23 money mules currently under federal indictment. Investigators believe as many as 1,000 mules are actively operating around the nation making the true scope and scale of the fraud scheme difficult to determine, although estimates exceed the billion dollar mark.

"The Secret Service remains committed to aggressively investigating and pursuing those responsible for cyber-enabled financial crimes," said U.S. Secret Service Director Randolph D. "Tex" Alles. "Although the explosive expansion of the cyber domain has forced us to develop innovative ways of conducting these types of investigations, our proven model remains the same."

BEC and related cyber-enabled financial fraud is not a new phenomenon, however the growth of computer based banking and the reduction in face-to-face financial transactions has created an environment of growing financial risk to U.S. businesses and consumers. For more information on the ways the Secret Service is working to protect our country go to www.SecretService.gov or click [here](#) for additional information about BEC fraud.

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For questions concerning this release, please contact the U.S. Secret Service Office of Communication and Media Relations at 202-406-5708.

The United States Secret Service was originally founded in 1865 for the purpose of suppressing the counterfeiting of U.S. currency. Now an agency within the Department of Homeland Security, the Secret Service is widely known for its protective mission in safeguarding the nation's highest elected officials, visiting foreign dignitaries and events of national significance. Today, the Secret Service maintains a unique integrated mission of protection and investigations, as one of the premier law enforcement organizations charged with investigating cyber and financial crimes.